

## **IMPORTANT TERMS of our HOME EQUITY LINES OF CREDIT**

**THIS DISCLOSURE CONTAINS INFORMATION ABOUT OUR HOME EQUITY LINES OF CREDIT. YOU SHOULD READ IT CAREFULLY AND KEEP THIS COPY FOR YOURSELF. THE TERMS FOR ALL PLANS ARE THE SAME EXCEPT FOR WHERE OTHERWISE INDICATED.**

### **Availability Of Terms**

All terms described below are subject to change. If these terms change, other than the Annual Percentage Rate, and you decide, as a result, not to enter into an agreement with us, you are entitled to a refund of any fees you paid to us or anyone else in connection with your application.

### **Security Interest**

We will take a Deed of Trust/Mortgage on your home ("Security Property"). You could lose your home if you do not meet certain obligations in your agreement with us.

### **Possible Actions**

#### **Termination**

If you fail to meet the terms of repayment, or if you act or fail to act in a way that adversely affects our security interest or other rights in the Security Property, or if you have committed fraud or made a material misrepresentation in connection with the account, we may, subject to the governing law, terminate the plan and require payment in full of the entire outstanding balance in a single payment.

#### **Suspension**

Your right to request additional advances may be suspended, or your maximum credit limit reduced, at our option, in the following instances: (1) you fail to make the scheduled payments due to us; (2) you fail to make timely payments to the holders of Deeds of Trust/Mortgages senior to ours; (3) you fail to pay real property taxes prior to delinquency; (4) you fail to maintain the required property insurance; (5) you fail to maintain the Security Property as your principal dwelling (for credit approved on an owner-occupied basis); (6) the value of the Security Property declines significantly below the appraised value upon which we relied in approving your application; (7) we reasonably believe that your ability to meet your payment obligations is impaired because of a material change in your financial circumstances; (8) governmental action precludes our imposing the annual percentage rate provided for or impairs our security interest such that the value of our interest is less than 120% of your maximum credit limit; (9) for variable-rate plans, the maximum annual percentage rate under the plan is reached; or (10) a regulatory agency has notified us that further advances under this plan constitute an unsafe and unsound practice.

The initial agreement permits us to make certain changes to the terms of the agreement at specific times or upon the occurrence of specified events.

### **Minimum Payment Requirements**

You can obtain credit advances for 60 months (the draw period). During the draw period, payments will be due on a monthly basis. Your minimum periodic payment will be established at the close of each billing cycle in the amount necessary to fully amortize your outstanding account balance at the then-current interest rate no later than the agreement maturity date (rounded up to the nearest \$1.00), subject to the lesser of \$100.00 or your account balance.

After the draw period ends, you will no longer be able to obtain credit advances and you must repay the outstanding balance (the repayment period). The length of the repayment period will in no event exceed 120 months. During the repayment period, your minimum monthly payment will be calculated in the same manner as the Draw Period.

### **Minimum Payment Example**

#### **Loan to Value Less Than 85%**

If you made only the minimum payments and took no other credit advances, it would take 124 months to pay off a credit advance of \$10,000.00.00 at an **ANNUAL PERCENTAGE RATE** of 4.25%. During that period, you would make 60 monthly payments of \$100.00, followed by 63 monthly payments of \$100.00, and a final payment of \$67.09.

#### **Loan to Value 85% and Greater But Less Than 90%**

If you made only the minimum payments and took no other credit advances, it would take 128 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 4.75%. During that period, you would make 60 monthly payments of \$100.00, followed by 67 monthly payments of \$100.00, and a final payment of \$55.89.

### **Fees And Charges**

To open a line of credit, you may have to pay us an origination fee of \$50.00. You will also have to pay certain fees to third parties. These fees generally range from \$150.00 to \$850.00. If you ask, we will give you an itemization of the fees you will have to pay to third parties.

### **Insurance**

You must carry insurance on the property that secures this plan.

### **Minimum Draw Requirements**

The minimum initial credit advance you can receive is \$2,500.00.

### **Tax Deductibility**

You should consult a tax advisor regarding the deductibility of interest and charges for the line of credit.

### **Variable Rate**

Your account will be subject to a Variable Rate feature, and as a result, the Annual Percentage Rate (corresponding to the periodic rate) and the amount of your scheduled payments can change as a result. The Annual Percentage Rate includes only interest and no other costs. The Annual Percentage Rate is based on the value of an index. The index is the highest Prime Rate as published in the Money Rates Section of The Wall Street Journal in effect 10 days prior to the change date, rounded up to the nearest 0.25 percent. Changes in the Index will cause changes in the Interest Rate on the 1st day of each month immediately following any such change in the Index. To determine the Annual Percentage Rate that will apply to your line of credit, we add a margin to the value of the index. Ask us for the current index value, margin, discounted rate and Annual Percentage Rate. After you open a line of credit, rate information will be provided in periodic statements that we send you.

**Rate Changes**

Your Annual Percentage Rate can change monthly. Other than the minimum and maximum Annual Percentage Rates that can apply at any time to this account, your interest rate cannot change by more than 1.00 percentage point on each change date.

The maximum **ANNUAL PERCENTAGE RATE** at any time is 18.00%. The minimum **ANNUAL PERCENTAGE RATE** at any time is 3.50%.

**Maximum Rate And Payment Examples**

If you had an outstanding balance of \$10,000.00 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$162.00. This Annual Percentage Rate could be reached during the 7th month of the draw period.

If you had an outstanding balance of \$10,000.00 during the repayment period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$181.00. This Annual Percentage Rate could be reached during the 15th month of the repayment period.

**Historical Example**

The following table shows how the Annual Percentage Rate and the monthly payments for a single \$10,000.00 credit advance would have changed based on changes in the index since 2006. The index is from The Wall Street Journal and is calculated on the first business day of January of each year. While only one payment amount per year is shown, payments may have varied during the year. The table assumes that no additional credit advances were taken, that only the minimum payments were made, and that the rate remained constant during the year. It does not necessarily indicate how the index or your payments will change in the future.

Year	Index	Margin		ANNUAL PERCENTAGE RATE		Payment Period	Minimum Payment	
		(1)	(2)	(1)	(2)		(1)	(2)
2006	7.75%	-0.50	0.00	7.25%	7.75%	DRAW	\$100.00 <sup>(4)</sup>	\$100.00 <sup>(4)</sup>
2007	8.25%	-0.50	0.00	7.75%	8.25%	DRAW	\$100.00 <sup>(4)</sup>	\$100.00 <sup>(4)</sup>
2008	5.25%	-0.50	0.00	4.75%	5.25%	DRAW	\$100.00 <sup>(4)</sup>	\$100.00 <sup>(4)</sup>
2009	3.25%	-0.50	0.00	3.50% <sup>(3)</sup>	3.50% <sup>(3)</sup>	DRAW	\$100.00 <sup>(4)</sup>	\$100.00 <sup>(4)</sup>
2010	3.25%	-0.50	0.00	3.50% <sup>(3)</sup>	3.50% <sup>(3)</sup>	DRAW	\$100.00 <sup>(4)</sup>	\$100.00 <sup>(4)</sup>
2011	3.25%	-0.50	0.00	3.50% <sup>(3)</sup>	3.50% <sup>(3)</sup>	REPAYMENT	\$100.00 <sup>(4)</sup>	\$100.00 <sup>(4)</sup>
2012	3.25%	-0.50	0.00	3.50% <sup>(3)</sup>	3.50% <sup>(3)</sup>	REPAYMENT	\$100.00 <sup>(4)</sup>	\$100.00 <sup>(4)</sup>
2013	3.25%	-0.50	0.00	3.50% <sup>(3)</sup>	3.50% <sup>(3)</sup>	REPAYMENT	\$100.00 <sup>(4)</sup>	\$100.00 <sup>(4)</sup>
2014	3.25%	-0.50	0.00	3.50% <sup>(3)</sup>	3.50% <sup>(3)</sup>	REPAYMENT	\$100.00 <sup>(4)</sup>	\$100.00 <sup>(4)</sup>
2015	3.25%	-0.50	0.00	3.50% <sup>(3)</sup>	3.50% <sup>(3)</sup>	REPAYMENT	\$100.00 <sup>(4)</sup>	\$100.00 <sup>(4)</sup>
2016	3.50%	-0.50	0.00	3.50% <sup>(3)</sup>	3.50% <sup>(3)</sup>	REPAYMENT	\$100.00 <sup>(4)</sup>	\$100.00 <sup>(4)</sup>
2017	4.00%	-0.50	0.00	3.50%	4.00%	REPAYMENT	\$0.00	\$42.43 <sup>(5)</sup>
2018	4.75%	-0.50	0.00	4.25%	4.75%	REPAYMENT	\$0.00	\$0.00
2019	5.50%	-0.50	0.00	5.00%	5.50%	REPAYMENT	\$0.00	\$0.00
2020	4.75%	-0.50	0.00	4.25%	4.75%	REPAYMENT	\$0.00	\$0.00

(1) This represents a margin we have recently used, annual percentage rate and minimum payment for our lines of credit with a Loan to Value less than 85%.

(2) This represents a margin we have recently used, annual percentage rate and minimum payment for our line of credit with a Loan to Value 85% and greater but less than 90%.

(3) This represents the minimum interest rate.

(4) This represents the minimum payment.

(5) This represents the final payment.